

## Message Text

PAGE 01 STATE 046400  
ORIGIN EB-08

INFO OCT-01 EUR-12 ISO-00 CAB-05 CIAE-00 COME-00  
DODE-00 DOTE-00 INR-10 NSAE-00 FAA-00 L-03 INRE-00  
/039 R

DRAFTED BY EB/TRA:JRATWOOD:BD  
APPROVED BY EB/TRA:JRATWOOD  
EB:JLKATZ  
CAB:DFARMER

-----123408 230128Z /64

O P 230044Z FEB 78  
FM SECSTATE WASHDC  
TO AMEMBASSY LONDON IMMEDIATE  
INFO DEPT OF TRANS PRIORITY

UNCLAS STATE 046400

E.O. 11652: N/A

TAGS: EAIR, UK

SUBJECT: CIVAIR: BRANIFF FARES

1. PLEASE DELIVER FOLLOWING MESSAGE TO PATRICK SHOVELTON  
AT OPENING OF BUSINESS FEBRUARY 23.

2. ON JANUARY 27, 1978, BRANIFF AIRWAYS, INC. FILED AN  
INITIAL TARIFF WITH THE U.S. CIVIL AERONAUTICS BOARD FOR  
OPERATION OF BRANIFF'S NEWLY AUTHORIZED SERVICE BETWEEN  
DALLAS/FT. WORTH AND LONDON. THE U.S. CAB GRANTED PER-  
MISSION FOR THIS TARIFF TO GO INTO EFFECT UPON LESS THAN  
THE STATUTORILY REQUIRED NOTICE IN ORDER FOR IT TO BE  
EFFECTIVE SO THAT BRANIFF COULD BEGIN SERVICE TO LONDON ON  
MARCH 1ST.

3. THE BRITISH GOVERNMENT HAS INDICATED ITS DISSATIS-  
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FACTION WITH THIS TARIFF TO THE UNITED STATES GOVERNMENT  
AND TO BRANIFF. OFFICIALS OF THE UNITED KINGDOM CIVIL  
AVIATION AUTHORITY ALSO HAVE ORALLY EXPRESSED DISAPPROVAL  
OF SPECIFIC PROVISIONS OF THE BRANIFF TARIFF IN MEETINGS  
IN LONDON ON OR ABOUT FEBRUARY 13TH AND 14TH. CONSULTA-  
TIONS WERE HELD BETWEEN THE U.S. AND U.K. GOVERNMENTS IN  
LONDON ON FEBRUARY 10TH ON THE BRANIFF TARIFFS AND OTHERS,  
BUT NO AGREEMENT WAS REACHED WITH RESPECT TO BRANIFF'S  
TARIFF.

4. THE UNITED STATES GOVERNMENT BELIEVES IT WOULD BE UNACCEPTABLE FOR BRANIFF NOT TO HAVE AN EFFECTIVE TARIFF UNDER WHICH IT CAN BEGIN SERVICE AS PLANNED ON MARCH 1. WE BELIEVE THE INITIAL TARIFF THAT BRANIFF FILED WITH THE U.S.CAB TO BE THE EFFECTIVE TARIFF FOR THIS SERVICE. SHOULD THE U.K. GOVERNMENT DISAGREE WITH US, WE REQUEST TO BE NOTIFIED AS EARLY AS POSSIBLE.

5. IN OUR JUDGMENT, IT WOULD BE A VIOLATION OF THE AIR TRANSPORT AGREEMENT FOR THE UK NOT TO ALLOW BRANIFF'S CAB-APPROVED TARIFF TO GO INTO EFFECT. UNDER THAT AGREEMENT, THE EXCLUSIVE REMEDY PROVIDED IN THE EVENT OF A TARIFF DISPUTE IS TO "CONTINUE IN FORCE THE EXISTING TARIFFS." IN THE CASE OF BRANIFF, THERE IS NO EXISTING TARIFF, AND THE AGREEMENT THEREFORE DOES NOT AUTHORIZE UNILATERAL DISAPPROVAL OF AN INITIAL TARIFF. THIS IS PARTICULARLY SO WHERE THE RESULT MIGHT BE TO DEPRIVE A CARRIER OF AN OPPORTUNITY TO OPERATE RIGHTS GRANTED BY THE AGREEMENT. MOREOVER, EVEN ASSUMING THAT DISAPPROVAL OF INITIAL TARIFFS WERE IN SOME CASES AUTHORIZED, IN THE PRESENT CASE SUCH DISAPPROVAL WOULD BE IN VIOLATION OF THE PROVISIONS OF THE AGREEMENT THAT TARIFFS

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"SHALL BE ESTABLISHED AT THE LOWEST LEVEL CONSISTENT WITH A HIGH STANDARD OF SAFETY AND AN ADEQUATE RETURN TO EFFICIENT AIRLINES..." THE U.S. GOVERNMENT BELIEVES THAT BRANIFF'S TARIFF IS COMPARABLE TO TARIFFS PREVIOUSLY APPROVED BY THE U.S. CAB AND THE U.K. CAA, AND IS CONSERVATIVELY ABOVE THE LEVEL AT WHICH AN EFFICIENT AIR CARRIER WILL EARN AN ADEQUATE RETURN.

6. FOR THESE REASONS, YOU SHOULD BE INFORMED THAT THE USG BELIEVES THAT THE UK HAS NO BASIS FOR PREVENTING BRANIFF FROM OPERATING UNDER THE CAB-APPROVED TARIFF. SHOULD THE UK GOVERNMENT ATTEMPT TO PREVENT INSTITUTION OF THIS SERVICE UNDER THAT TARIFF, THE USG WILL CONSIDER APPROPRIATE RESPONSIVE ACTION, INCLUDING POSSIBLY RECIPROCAL ACTION WITH RESPECT TO UK CARRIERS.

END MESSAGE.

7. FOR EMBASSY ONLY: WASHINGTON HAS NOT YET RECEIVED PROMISED UK MEMO OF FARES WHICH WE UNDERSTAND HAS BEEN PROVIDED TO EMBASSY. IF IN EMBASSY'S JUDGMENT, THAT MEMO WILL MAKE IT INAPPROPRIATE TO DELIVER FOREGOING MESSAGE, PLEASE HOLD MESSAGE AND TELEPHONE ATWOOD AS SOON AS POSSIBLE. VANCE

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PAGE 01 STATE 046400

ORIGIN EB-08

INFO OCT-01 ISO-00 /009 R

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DRAFTED BY:EB/TRA:JRATWOOD

APPROVED BY:EB/TRA:JRATWOOD

-----016414 242013Z /43

R 240615Z FEB 78

FM SECSTATE WASHDC

INFO RUEBWJA/DEPARTMENT OF JUSTICE

WHITE HOUSE

UNCLAS STATE 046400

DEPT JUSTICE PASS ELLIOT SEIDEN - WHITE HOUSE PASS MARY SCHUMAN

FOL STATE 046400 SENT ACTION LONDON INFO DEPT OF TRANS FEB  
23, 1978 REPEATED TO YOU QUOTE

UNCLAS STATE 046400

E.O. 11652: N/A

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<< END OF DOCUMENT >>

## Message Attributes

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**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
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**Copy:** SINGLE  
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**Decaption Date:** 01 jan 1960  
**Decaption Note:**  
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**Disposition Approved on Date:**  
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**Disposition Comment:**  
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**Disposition Event:**  
**Disposition History:** n/a  
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**Executive Order:** N/A  
**Errors:** n/a  
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**TAGS:** EAIR, UK, BRANIFF  
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**Review Markings:**  
Sheryl P. Walter  
Declassified/Released  
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20 Mar 2014  
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